

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

Maggie Fletcher a Sinche

PAID UP OIL AND GAS LEASE

(No Surface Use)

day of <u>August</u>

whose addresss is 1034 FOIST PICEMONIC OLVENUE FORTWORTH TEXAS 76104

and, DALE PROPERTY SERVICES, L.C., 2100 Ross Avenue, Suite 1070 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the phereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the followed land, hereinafter called leased premises:			
	.172 ACRES OF LAND, MORE OR LESS, BEING LOT(S) 15 , BLOCK_	MM	
	1 N	THE CITY OF	
	OUT OF THE HIGHBARD TO CHENCECCO ADDITION, AN ADDITION TO	7 DECODED	
	FOR WORTH THAT CERTAIN PLA	II KECOKDED	
	IN VOLUME 310 , PAGE 15 OF THE PLAT RECORDS OF TARRANT COUNTY,	TEXAS.	
	in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interests therein which Lessor may reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and markeling oil and gas, along with all hydrocarbon an substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforemer Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covers of determining the amount of any shul-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or	nd non hydrocarbon dioxide and other strips or parcels of ntioned cash bonus, ed. For the purpose	
	2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Low Laboratory and the as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled there otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other separated at Lessee's separator facilities, the royalty shall be There is no such price then prevailing in the continuing right to purchase the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contract the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying qua are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or well are so there from is not being sold by Lessee, such payment to be there from is not being sold by Lessee, such payment to be under the depository designated below,	liquid hydrocarbons t Lessee's option to a such production at nich there is such a he royalty shall be valorem taxes and ances, provided that he field (or if there is acts entered into on me thereafter one or mittles or such wells a shall nevertheless shut-in or production hade to Lessor or to f said 90-day period ons, or if production 90-day period next	
	4. All shut-in royally payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at lessor's address above</u> or its successor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in current draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to not be succeeded by another institution as depository agent to not seem of the provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry I premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintain nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, rew operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations coessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, a th	ey, or by check or by the Lessor at the last of refuse to accept eceive payments. The leased of unit boundaries and in force it shall restoring production all production. If at yorking or any other are prosecuted with s long thereafter as	

Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee doems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well with is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or a completion shall not exceed 640 acres plus at the purpose of the foregoing, the terms 'oil well' and "gas well' shall have the meanings prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production with means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an cil well in which the horizontal c

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalites and shut-in royalites payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears in the full mineral estate in such part of the leased premises.

such part of the leased promises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective treits, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee herounder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royallies hereunder, Lessee may pay or lender such shut-in ordered in the depository designated above. If at any time two or more persons are entitled to shut-in royalties to the credit of decadent or decodont's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereafter the interest in whole or in pert Lessee shall be relieved of all obligations thereafter additions the part of the persons shall until affect the date of the pert Lessee shall be relieved of all obligations thereafter. adising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not effect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lesse, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Leasee releases all or an undivided interest in less than all of the eroa covered hereby, Leasee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

it cesses released all or an undivided interest in loss than all of the signal covered hereby. Lesses is obligation to pay or tender shutten reystles shall be proportionalely reduced in accordance with the net accraage interest released premises or lands pooled or untilized herewith, in primary and/or enhanced recovery. Lesses shall have the right of ingress and egress clong with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipolines, tanks, water wells, disposal wells, injection wells, pils, electric and fatephone fines, power stations, and other facilities deemed necessary by Lesses to discover, produce, store, treat and/or transport production. Lesses may use in such operations, fixe of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entitle leased promises described in Paragraph 1 above, incivilitated lands are premises or lands pooled therewith. When requested by Lessor has willing, Lesses shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lesses than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lesses shall have the right of any time to remove its fixtures, equipment and materials, including well cashin, from the leased premises or such other lands during the fermi of this lease or within a reasonable time thereafter.

14. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and order of any go

12. In the event that Lessor, during the primary term of this lesse, receives a bona fide offer which Lessor is accept from any party offering to purchase from Lessor is lesse covering any or all of the subhances covered by this lesse and covering all or a purtion of the land described herein, with the lesse becoming effective upon expiration of this lesso, Lessor hereby agrees to notify Lessee in writing of said offer Immediately, including in the notice the name and address of the offer. It is price offer and all other pertinent terms and conditions of the offer. Lessee, for a period of filteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lesse or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No illigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at lesst 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lesse shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable.

Itme after said judicial determination to remetly the breach or default and Lessee fails to do so.

14. For the same consideration rectled above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of fand and which are not intended to develop the feased premises or lands pooled therewith and from which Lessor shall have no right to mystly or other henefit. Such subsurface well bore easements shall not with the land and survive any termination of this lesse.

15. Leason hereby warrants and agrees to defend title conveyed to Lease hereunitor, and agrees that Lease at Loasee's option may pay and discharge any laxes, mortgages or liens existing, levied or assessed on or against the leaset premises. If Lease exercises such option, Lease shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royallies or shut-n royallies otherwise payable to Leaser hereunder. In the event Lassee is made aware of any claim inconsisient with Lesson's tillo. Lessee may suspend the payment of royalties and shut-in royalties bereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessec shall not have any rights to use the surface of the leased promises for diffling or other 16

operations

17. This lease may be executed in countorparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Leasor acknowledges that oil and gas lease payments, in the form of rental, bonus and royally, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Leasor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or under influence. Lessor recognizes that lesse values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on fature market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's being devisees, executors, administrators, successors and easigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)		
X Maggie P. Gletcher By: XMA991e PFLoeten	: CR	Ву:
AC	KNOWLEDG	BMENT
STATE OF TEXALS AND This instrument was acknowledged before me on the 9+4 by: Maggie Fletcher a BLANE WELSON	day of	
ALEXANDER DAVIS Notary Public, State of Taxas My Commission Expires May 16, 2012		Notary Public, State of Tx-X445 Notary's name (printed): Notary's commission expires:
STATE OF TEXTS COUNTY OF TEXT THE THE ON the	tlay of	, 2008,
		Mary Coulde Clate of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

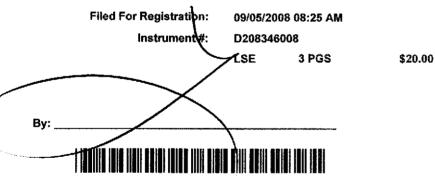
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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